

Nashville District

Human Resources Newsletter

"News You Can Use"

Issue 01-15-03

15 January 2003

The purpose of this newsletter is to keep Nashville District employees informed about personnel issues, concerns, and topics. You are encouraged to review the information and disseminate to your organization. If there are particular areas of interest that you would like to see addressed in future issues, an article of general interest, or general comments, please contact John Restey at 615-736-5538 or

John.G.Restey@lrm02.usace.army.mil.

Upcoming Key Dates in HR

**16 January 2003—Nashville District Martin Luther King Observance
RMA640—10:30p.m.**

20 January 2003—Martin Luther King, Jr's Birthday(Observed)

22 January 2003—New Employee Orientation

General News:

SUSTAINING BASE LEADERSHIP PROGRAM SUSPENSE FEB 03

Do something for the Army and for yourself in 2003. Take advantage of the most dynamic leadership program the Army has to offer-and for most, it is centrally funded. The application deadline for the next Sustaining Base Leadership and Management (SBLM) resident program is Feb. 14 for the course that will run from May 19 to Aug. 8, 2003.

The SBLM program is designed to prepare the next generation of leaders for the Army's sustaining base-- those agencies and programs which support and train the soldier, prepare the soldier for operations, get the soldier to the operation, sustain the soldier during the operation and return that soldier home. The sustaining base also includes all systems, which support the soldier's family and quality of life.

If you are a highly motivated GS-12 through 14 who is interested in career progression and more responsibility, consider applying for the program offered by the Army Management Staff College at Fort Belvoir, Va. GS-11s and 15s are welcome to apply by exception.

Supervisors of SBLM graduates report that their employees return to their jobs with the ability to handle increased responsibility and have "fine tuned" the potential to move into senior leadership positions and with increased value to the organization.

What's holding you back? Time away from home? 12 weeks is a relatively short period when you consider the payback to you, both personally and professionally. One deep during crunch time? There are always crunch times-if you were to get another job, your organization would make arrangements to get your job done. Give someone an opportunity to do a developmental assignment while you are gone-a win-win situation for your organization.

Be more competitive-do something for yourself and your country-seize this great opportunity! Graduates say that SBLM is a life-changing experience.

Applicants are selected for attendance by a board convened at Hdqtrs, Department of the Army.

To apply for the program or to find out more about it, log on to www.amsc.belvoir.army.mil or call (703) 805-4756/4757.

Supervisory Guidance on Disciplinary and Adverse Actions

The following attachments contain information for supervisors to use as a resource in handling disciplinary or adverse action situations that may arise in performance of their duties. Remember that the Alternate Dispute Resolution team, Human Resources, Office of Counsel and EEO are always available for advise and should be consulted before any action is initiated. These attachments also contain links (underlined and highlighted in blue to other resource material.)



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Disciplinary and
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Health And Benefits

YOUR LIFE INSURANCE BENEFITS

The Federal Employee Group Life Insurance (FEGLI) is a benefit that as employees we sometimes take for granted. Do you know what life insurance coverage you have under the FEGLI system? Your insurance needs change with life changes, such as marriage, children, divorce, death, etc. You can see the basic and options that you have elected on your SF 50-B, Notification of Personnel Action, and verify the life insurance cost on your Leave and Earnings Statement.

Basic coverage is computed according to your pay. Your yearly salary rounded up to the next thousand, plus two thousand more, will give you the basic coverage amount. (Wage Grade employees multiply the per hour rate by 2087 to compute the per annum rate).

In addition to the Basic coverage, there are optional benefits: Option A, an additional \$10,000., Option B, under which you may purchase up to five times your pay; and Option C, Family Coverage, which pays a benefit to the you in the event of the death of a spouse or eligible child. These costs are based on your age and the cost increase as you get older.

Retirement is a life milestone event, and you need to know what is necessary to meet your life insurance needs, and the requirement to keep your life insurance coverage as you retire from federal service. First, you must have had FEGLI for five consecutive years preceding retirement to carry the coverage into retirement. Prior to retirement you must make a decision as to how much insurance you want. You must have Basic Life insurance to keep Options A, B, and C. Under Basic, you have three options: 1) the 75% reduction; 2) the 50% reduction; and 3) no reduction.

Under the 75% reduction option at age 65 or at retirement, whichever is later, the amount of your Basic coverage at retirement will begin to reduce at a rate of 2% per month until only 25% of the coverage amount you had is left. Beginning January 1, 2003, you will pay \$0.325 for \$1,000 of monthly coverage until the reduction starts. Then no more money will be taken out of your annuity for the Basic coverage. Assume that you retired at age 55 and had \$60,000 of Basic insurance. From age 55 to 65, you will pay the same premium as you did before retirement ($\$0.325 \times 60 = \$19.50/\text{month}$), then at age 65 you pay no premium, but your coverage will be reduced 2% per month to \$15,000 (25% of \$60,000). However, you have \$15,000 of life insurance for the rest of your life, with no further premiums.

Under the 50% reduction option, at age 65 or retirement, whichever is later, your coverage is reduced at a rate of 1% per month until it reaches 50% of what you had. Using the same example as above, from age 55 to 65 you will pay \$0.925 per \$1,000 of coverage per month or \$55.50 a month ($\$0.925 \times 60 = \55.50), which is considerable

more than the \$19.50 a month you were paying before retirement. At age 65, the premiums are reduced from \$0.925 per \$1,000 of coverage a month to \$0.60 per \$1,000 of monthly coverage or \$36.00 a month ($\0.60×60). However, the \$60,000 coverage begins to go down at a rate of 1% a month until it reached 50% of your coverage when you retired or \$30,000, and you must continue to pay the \$36.00 monthly premium for the rest of your life.

Under the no reduction option, as soon as you retire, (age 55 in this example), your premiums jump from \$0.325 per \$1,000 of coverage per month to \$2.155 per \$1,000 a month, a 563% increase! The monthly premiums jump from \$19.50 to \$129.30 a month. However, at age 65 the premiums become somewhat less, \$1.83 per \$1,000 of coverage or \$109.80 a month, but you do have \$60,000 of coverage for life (as long as you pay the premiums).

Option A, which is \$10,000 of coverage, does not require a payment of premiums at age 65 or retirement, whichever comes later. The \$10,000 coverage begins to reduce at a rate of 2% per month until you have \$2,500 of coverage remaining.

Options B and C, you have only two choices to make at retirement. Those are full reduction and no reduction. Under full reduction, you can keep paying premiums (which increase every five years) from retirement until age 65 and then stop paying them, at which time your coverage is reduced by 2% per month or 50 months, until you have no coverage. If you retire after age 65, the reduction begins as soon as you retire. However, with the no reduction option, you can choose to keep 100% of the coverage after retirement with no reduction at age 65, if you continue to pay the premiums. If you choose the 100% coverage, you can terminate the insurance later, but not reinstate it.

It is important to take stock of your life insurance needs, discuss the coverage changes with your family, and have time to evaluate your life insurance situation to make a solid, informed decision prior to retirement.

If you have life insurance questions, you will find a wealth of information at the Office of Personnel Management website: www.opm.gov/insure/life. Your Human Resources' Generalist is available to answer your life insurance questions as well.

FOOD FOR THOUGHT:

"War does not determine who is right, war determine who is left".